

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 12595 212048Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07
FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00
LAB-04 SIL-01 OMB-01 AGRE-00 L-03 XMB-02 H-01 SS-15
NSC-05 PA-01 PRS-01 USIA-06 /083 W
----- 084664 /73

R 211734Z DEC 76
FM US MISSION EC BRUSSELS
TO SECSTATE WASHDC 2658
INFO ALL EC CAPITALS 2917
AMEMBASSY ANKARA
AMEMBASSY ATHENS
AMEMBASSY NICOSIA

LIMITED OFFICIAL USE EC BRUSSELS 12595

E.O. 11652: N/A
TAGS: EEC TU
SUBJECT: EC-TURKEY ASSOCIATION COUNCIL MEETING DECEMBER 20

REFS: (A) EC BRUSSELS 12371, (B) ANKARA 9596, (C) EC BRUSSELS 12151

1. SUMMARY: AT DECEMBER 20 EC-TURKISH ASSOCIATION
COUNCIL MEETING, TURKS -- IN ORDER TO PREVENT FURTHER DETER-
IORATION IN EC-TURKISH RELATIONS -- ACCEPTED AN EC PACKAGE
ONLY marginally improved over that offered by the community
last July. Turkish Foreign Minister Caglayangil told press,
however, that Turkey expects further community concessions,
particularly for Turkish agricultural products, as West
European economies recover. END SUMMARY.

2. AS EXPECTED (REFS A AND B), EC-TURKISH ASSOCIATION
COUNCIL MET DECEMBER 20 WITH DUTCH FOREIGN MINISTER VAN DER
STOEL IN THE CHAIR AND FOREIGN MINISTER CAGALAYNAGIL LEADING
TURKISH DELEGATION. MEETING HAD BEEN TWICE POSTPONED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 12595 212048Z

PREVIOUSLY (JULY AND OCTOBER) BECAUSE GOT HAD CON-
SIDERED INSUFFICIENT THE COMMUNITY'S PROPOSALS FOR
IMPROVING THE ASSOCIATION AGREEMENT AND MOVING THE
EC-TURKISH ASSOCIATION TO ITS NEXT PHASE. AT RELA-
TIVELY BRIEF (70 MINUTES) DECEMBER 20 SESSION, TURKS
ACCEPTED EC PACKAGE, CAREFULLY WORKED OUT AND AGREED

TO IN ADVANCE (REFS A AND B), WHICH INCLUDES FOLLOWING MODEST IMPROVEMENTS OVER PROPOSALS MADE EARLIER IN YEAR: (A) ADDITIONAL AGRICULTURAL CONCESSIONS, INCLUDING OLIVE OIL (WE DO NOT YET HAVE FULL DETAILS); AND (B) "SECOND PRIORITY" TREATMENT FOR TURKISH WORKERS SEEKING EMPLOYMENT IN THE COMMUNITY, AND BETTER SOCIAL ADVANTAGES FOR TURKISH WORKERS ALREADY IN EC COUNTRIES. LOCAL TURKISH REPS AND EC OFFICIALS CONCEDE THAT THE FACE-SAVING "SECOND PRIORITY" LANGUAGE WILL RESULT IN NO ADDITIONAL TURKISH WORKERS COMING INTO THE EC UNTIL MEMBER COUNTRIES' ECONOMIC SITUATION HAS IMPROVED CONSIDERABLY.

3. THE FINANCIAL PORTION OF THE PACKAGE IS AS FORESEEN: A TOTAL OF 310 MILLION U.A. IN LOANS TO TURKEY BY THE EUROPEAN INVESTMENT BANK (EIB). REPORTEDLY 90 MILLION U.A. WILL BE PROVIDED UNDER ORDINARY EIB TERMS -- 40 YEARS AT 12 PER CENT INTEREST, WITH A GRACE PERIOD OF 7 YEARS -- AND 220 MILLION U.A. WILL BE EXTENDED AS "SPECIAL LOANS" -- 30 YEARS AT 2 1/2 PER CENT WITH AN 8 YEAR GRACE PERIOD. APPARENTLY THE EC HAS ACCEPTED TURKEY'S REQUEST TO SHORTEN THE PERIOD TO BE COVERED BY THIS FINANCIAL PROTOCOL BY AGREEING THAT ALL THE ENVISAGED LOANS WILL BE EXTENDED BY OCTOBER 31, 1981, REGARDLESS OF THE DATE ON WHICH THE FINANCIAL PROTOCOL IS FINALLY RATIFIED BY EC MEMBER STATES.

4. WE UNDERSTAND THAT IN REPOSE TO TURKISH ARGUMENT THAT TURKEY NEEDS ADDITIONAL TIME TO PROTECT SOME NASCENT INDUSTRIES, EC HAS AGREED TO FURTHER DISCUSSIONS WITH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 12595 212048Z

GOT REGARDING SCHEDULE FOR REDUCTION OF TURKISH INDUSTRIAL TARIFFS ARE SPECIFIED UNDER ORIGINAL ASSOCIATION AGREEMENT AND RELATED PROTOCOLS.

5. IN BRIEFING THE PRESS FOLLOWING THE ASSOCIATION COUNCIL MEETING, VAN DER STOEL SAID THE EC HOPES THE NEW AGREEMENT WILL GIVE "NEW IMPETUS" TO EC-TURKISH RELATIONS. CAGLAYANGIL TOLD THE PRESS THAT EC OFFER IS NOT COMMENSURATE WITH TURKEY'S NEEDS, BUT GOT HAD ACCEPTED IT BECAUSE (A) EC IS UNDERGOING PERIOD OF ECONOMIC SLOWDOWN, AND IT WOULD HAVE SUITED NO TURKISH INTEREST TO INSIST ON WHAT THE COMMUNITY COULD NOT, OR WOULD NOT, GIVE; AND (B) TURKEY DOES NOT WISH TO RUPTURE THE EC-TURKISH DIALOGUE. CAGLAYANGIL CLAIMED THAT TURKEY HAD ACCEPTED EC PACKAGE WITH UNDERSTANDING THAT IMPROVEMENTS, PARTICULARLY IN AGRICULTURAL SECTOR, CAN BE NEGOTIATED WHEN GENERAL ECONOMIC SITUATION WARRANTS. HE WARNED THAT IF EC DOES NOT AGREE TO

FURTHER AGRICULTURAL CONCESSIONS (AT SOME UNSPECIFIED
FUTURE TIME), "TURKEY WILL TAKE APPROPRIATE MEASURES
WITHOUT DELAY" (PRESUMABLY AS REGARDS IN-
DUSTRIAL TARIFFS).

5. COMMENT. IN EFFECT, AS PREVIOUSLY REPORTED IN
REFS A AND C, IT WOULD APPEAR THAT THE EC AND TURKEY
HAVE FOUND A WAY TO STABILIZE THEIR RELATIONS FOR NOW
(BY MARGINALLY IMPROVING THE RELATIONSHIP TO TURKEY'S
ADVANTAGE) AND DEFER UNTIL SOME FUTURE DATE, I.E.,
FOLLOWING IMPROVEMENT IN THE WEST EUROPEAN ECONOMY
AND TURKEY'S 1977 PARLIAMENTARY ELECTION, AN EXAMINA-
TION OF WHETHER ANY FUNDAMENTAL STRUCTURAL CHANGES IN
EC-TURKISH RELATIONS ARE REQUIRED.HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMUNITY RELATIONS, MEETINGS, TRADE AGREEMENTS, AGRICULTURAL COMMODITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 21 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ECBRU12595
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760468-1112
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761225/aaaaavqw.tel
Line Count: 129
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 EC BRUSSELS 12371, 76 ANKARA 9596, 76 EC BRUSSELS 12151
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 05 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 APR 2004 by ShawDG>; APPROVED <06 APR 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC-TURKEY ASSOCIATION COUNCIL MEETING DECEMBER 20
TAGS: ETRD, TU, XT, EEC, EC-TURKEY ASSOCIATION COUNCIL
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006